



January 19, 2007

MEMORANDUM

TO: Kathryn Leathers
FROM: Karen Hoesch
RE: Questions

I have been at a series of public hearings on fare increase and service cuts and, consequently out of the office a lot. So – I thought I would reply to your questions in writing and we can talk next week if needed.

Medicaid

Medicaid funds for the Medical Assistance Transportation Program (MATP) in Pennsylvania go through the State Department of Public Welfare and out to each county. If you go on line to Pennsylvania Department of Public Welfare, select “services for low income Pennsylvanians” then “Medical Assistance Transportation Program,” you can find the complete set of regulations and policies updated as of January of 2007.

So – instead of dealing with state government, we deal with local government in the form of Allegheny County Department of Human Services. They in turn deal with the Department of Public Welfare. This is a major advantage as they understand the local climate, are advocates for their clients and very accessible.

Pennsylvania encourages the “co-mingling” of Medicaid (MATP) trips with other paratransit trips as coordination reduces costs. There is very clear language about coordination on Page 6 of the MATP Instruction Manual. There are no issues or problems with co-mingling different clients with different funding sponsors on our vehicles. Once trips are scheduled, the sponsorship is really transparent as an operational issue – we are looking strictly for the highest quality, most efficient service delivery. We sort everything else out in the billing process.

Total Costs and Funding

Operating costs (all transportation costs)

FY2005	\$28,556,653.82
FY2006	\$30,528,095.92

You have the general funding categories correct. Federal funds are, I believe, a portion of Medicaid funds, and Port Authority of Allegheny County like all urban public transit systems, receives some federal dollars – primarily for capital costs. The cost of ADA paratransit is part of Port Authority’s annual operating budget.

State Agencies (“Sponsors”)

Any agency or program can become a sponsor for any amount of ACCESS service it wishes to provide, for any group of people. The general rules of ACCESS apply to all trips (ride shared service, demand responsive, vehicles do not seat more than 15 people, etc.) – but we maintain flexibility within that structure to accommodate the different needs of a variety of sponsors.

Agencies do determine the eligibility of the trips or people they are going to pay for. They can, for example, give us names of people they have determined eligible and give us instructions to give each person four rides per month to medical appointments, or transport anyone in a particular neighborhood a trip to a specific grocery store, etc. ACCESS manages whatever parameters they have established.

ACCESS maintains an eligibility screening process for sponsors who only want to pay for trips that people cannot take by fixed route transit. If the sponsor wants to ensure that the decision about ability to use transit is made in a professional, objective manner, we administer an interview and functional assessment to determine whether the individual can use fixed route under any circumstances or conditions, all of the time, or never. The two major sponsors in ACCESS who apply that standard are Port Authority for its ADA Program, and MATP. We conduct eligibility screening for these agencies and provide the outcome of the functional assessment. We actually implement the eligibility for ADA trips sponsored by Port Authority, and MATP uses this information to decide whether they will purchase the individual bus tickets or a monthly pass, or provide them ACCESS paratransit service for their medical trips.

The “fair share” of each sponsor is determined by a cost allocation (cost analysis) process used by ACCESS. I can send you some more information about that if you are interested. It’s basically just a mechanism to evaluate the productivity of each type of trip and determine resulting costs. If you are a sponsor that makes everyone ride at the same time, your trips will have a higher productivity (and lower cost) than a sponsor that lets its consumers travel wherever they want, whenever they want. If you can establish rules for your own trips to help us increase the productivity – you get the benefit through a lower price.

Some sponsors are bound by law to offer a high level of service (ADA and MATP) – but they still get the benefit of the higher productivity of the entire system due to ride sharing and coordination – so they don’t pay as much as if theirs were the only clients and they had to pay the full cost of all of the service. For example – lots of states now have Medicaid brokerages that coordinate Medicaid trips – but they are only coordinated with

other Medicaid trips – not with all the other demand response paratransit service in the community.

I believe that Pennsylvania's requirement for coordination to get the funds from the state pretty effectively wiped out any barriers to coordination. This was not an administrative policy decision, but is in regulations. I don't know if you would call this an incentive, but it really works. MATP and lottery funded trips represent the lion's share of coordinated paratransit service in Pennsylvania. Urban areas generally add on their ADA paratransit trips, but I believe ACCESS is sort of an exception in the number and variety of sponsors we have on our program.

LaVerne Collins from PennDOT would be the best person to talk to about barriers at the state level – she has worked at PennDOT for a long time and knows the history. I think you have already corresponded with her via e-mail. I believe the barriers in Pennsylvania were not the issue of coordination per se (everyone thinks it is a great idea)- but who should pay for what, and what everyone's share would be. If everyone wants to be the funder of last resort – it's a problem. So there were some agreements between MATP and PennDOT about how funds would be used. I would say these are the most important rules to set down in advance.

Private Transportation Providers

The contract between ACCESS and each of its providers sets uniform standards for driver training and supervision, maintenance, vehicles, reporting, service standards, insurance limits, productivity, performance, etc. Each company hires its own drivers and sets its own pay rates, buys its own vehicles, etc., but must comply with the minimum standards established by ACCESS. There is a high level of competition between providers for market share, so any advantage they can create for themselves in purchasing, driver management, etc generally results in increased market share.

Allegheny County is a mix of urban, suburban and rural areas. Each service provider must provide the prescribed level and standard of service for any trip in its assigned area, regardless of the characteristics of that area. We pay providers by the hour, and establish productivity minimums for them that reflect the mix of trips they are assigned (trip length, % of wheelchairs, etc.) By establishing these minimum productivity standards, we make sure that providers are combining trips effectively, while setting a fair and achievable level of ride sharing that reflects the fact that service in rural areas tends to be less efficient than in urban population centers. It had worked well for us.

In a decentralized brokerage like ACCESS, monitoring provider performance is a critical function, as is providing technical assistance and daily feedback.

I hope this information is helpful to you. If you'd like to talk in more detail, I'll be in the office next week, or this Friday between 11 am and 2 PM Eastern Time.

Good luck with your efforts!